Translation for reference only

Consolidated Financial Results for the Nine Months Ended December 31, 2015 <under Japanese GAAP>

February 12, 2016

Company name: J Trust Co., Ltd.
Stock exchange: Tokyo Stock Exchange
URL: http://www.jt-corp.co.jp/en/
Securities code: 8508
Representative: Nobuyoshi Fujisawa, President & CEO
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Scheduled date of filing of quarterly securities report: February 12, 2016
Scheduled date of commencement of dividend payment: -
Preparation of supplemental materials for the quarterly financial results: Yes
Holding of earnings presentation (for analysts): Yes

(Figures rounded down to the nearest million yen)

I. Consolidated financial results for the nine months ended December 31, 2015 (April 1, 2015 – December 31, 2015)

1. Consolidated operating results (accumulated)

(% indicates comparison with the same period of previous fiscal year)

	Operating revenue		Operating income		Ordinary income		Profit (loss) attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2015	57,947	20.4	(2,108)	-	(1,525)	-	(1,045)	-
Nine months ended December 31, 2014	48,120	9.3	(3,321)	-	(316)	-	(1,142)	-

Note: Comprehensive income (loss) (million yen)
1st nine months of FY 2016: (12,703); -%
1st nine months of FY 2015: 360; (91.7)%

	Quarterly net income per share	Quarterly diluted net income per share
	yen	yen
Nine months ended December 31, 2015	(9.01)	-
Nine months ended December 31, 2014	(9.68)	-

Note: Diluted net income per share for both periods is not stated since we recorded quarterly net loss for both periods although dilutive shares existed.

2. Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	yen
As of December 31, 2015	509,007	174,399	33.1	1,502.51
As of March 31, 2015	540,718	194,865	34.8	1,591.09

(Reference) Equity capital (million yen)
December 31, 2015: 168,328
March 31, 2015: 188,034

II. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
	yen	yen	yen	yen	yen
FY 2015	-	5.00	-	5.00	10.00
FY 2016	-	5.00			
FY 2016 (forecast)			-	7.00	12.00

Revision to the disclosed dividend forecast: No
Breakdown of year-end dividend (forecast) for FY 2016: Ordinary dividend 5.00 yen; Commemorative dividend 2.00 yen

III. Consolidated financial forecasts for the fiscal year ending March 31, 2016 (April 1, 2015 - March 31, 2016)

(% indicates comparison with the previous fiscal year)

	Operating revenue		Operating income		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	yen
Full year	81,900	-	7,500	-	4,700	-	40.85

Revision to the disclosed financial forecast: No

Note 1: Above consolidated financial forecasts are based on International Financial Reporting Standards (IFRS) since we decided to voluntarily adopt IFRS from FY 2016. Therefore, the change against actual results of FY 2015 for which we adopted Japanese GAAP is omitted.

Note 2 At the Board of Directors' meeting held on May 14, 2015, we adopted the resolution to acquire our own shares. The basic earnings per share in the consolidated financial forecasts reflect the said share buyback.

* Note

(i) Material changes in subsidiaries during the current period : No
(addition and exclusion of specified subsidiaries leading to the change in the scope of consolidation)

(ii) Special accounting processes used for quarterly consolidated financial statements : No

(iii) Changes in accounting policies, accounting estimates and retrospective re-statements

[1] Changes in accounting policy based on revisions of accounting standards : Yes
[2] Changes in accounting policy other than those indicated in [1] : No
[3] Changes in accounting estimates : No
[4] Retrospective re-statements : No

For details, please refer to "II. Matters regarding summary information (notes), 1. Changes in accounting policies, changes in accounting estimates and retrospective re-statements" on page seven.

(iv) Number of outstanding shares (common share)

Number of outstanding shares (including treasury shares)	December 31, 2015	112,441,554	March 31, 2015	118,589,354
Number of treasury shares	December 31, 2015	409,720	March 31, 2015	409,540
Average number of outstanding shares during the period	From April 1, 2015 till December 31, 2015	116,049,067	From April 1, 2014 till December 31, 2014	118,028,515

* Statement regarding implementation status of audit procedures

This financial summary does not fall within the scope of audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure of this financial summary, the audit procedures for financial statements have been completed.

* Explanation regarding the appropriate use of financial forecast and other special remarks

1. Any information contained in this document pertaining to future financial performance etc. is based on the information currently available to J Trust and certain other premises judged to be reasonable and J Trust does not guarantee the achievement of this performance. Actual financial performance may vary significantly from the forecasts contained herein. "I. Qualitative information regarding current quarterly financial results, 3. Explanation on future forecast including consolidated financial forecast" in the attached document (page seven) shows the assumptions and premises on which the financial forecast is based.
2. Supplemental materials can be found on J Trust website (http://www.jt-corp.co.jp/en/). Earnings presentation for analysts is scheduled for February 15, 2016. Video and materials of the presentation will be available on J Trust website.

Table of attached document

I. Qualitative information on the quarterly financial results

1. Explanation on operating results

During the first nine months of the current consolidated fiscal year, the US economy showed a sign of recovery and the European economy was expected to see a modest rebound. The future outlook of the world economy, however, remained uncertain mainly due to a clear slowdown in the Chinese economy and concern about a downturn in the economy of emerging countries. In Japan, the performance of some companies and the employment condition have improved under the economic and monetary policy adopted by the Japanese government and the Bank of Japan, but we need to keep paying attention to the current trend because there still remains the impact of yen depreciation, decrease in real wages, prolonged stagnation of consumer confidence after the consumption tax hike, and concern on business results of some companies. Meanwhile, the growth potential of emerging regions including Southeast Asian countries appears promising from a medium- and long-term point of view.

In this economic environment, we consider that it is inevitable to transform our business ahead of the change in global and Japanese economy. We drew up a medium-term business plan covering FY2016 till FY2018 under the group vision of "Our aim is to provide unique financial services not constrained by existing paradigms." We are expanding business in Asia, whose economy is expected to continue growing at high pace, and seeking to maximize the synergy generated by our network of Group companies with the aim of further enhancing our management foundation and achieving sustainable growth.

During the first nine months of the current consolidated fiscal year, we proactively tackled the improvement in corporate value and reinforcement of business foundation in and out of Japan in order to shift from rapid business expansion led by M&A to sustainable profit increase mainly from banking business.

(i) Business development in Southeast Asia

Through the unified usage of "J Trust" brand in East Asia and ASEAN countries, the J Trust Group aims to improve its brand value and maximize network effect in Asia so that it will contribute to its performance. As part of this move, in June 2015, we changed the trade name of "PT Bank Mutiara Tbk.", a commercial bank in Indonesia which we acquired in November 2014, to PT Bank JTrust Indonesia Tbk. (hereinafter, "Bank JTrust Indonesia") Also, we transferred non-performing loans (hereinafter, "NPLs") to PT JTRUST INVESTMENTS INDONESIA (hereinafter, "JTII") in October 2015, because the rehabilitation of Bank JTrust Indonesia, which had long been under Indonesia Deposit Insurance Corporation, was one of the most important tasks under our medium-term business plan and thus we needed to improve its financial health by reducing NPL ratio. This transfer enabled JTII to focus on NPL collection and expand profit through an increase in collection amount by utilizing various methods including speedy sale of real estate (collateral for receivable) and business rehabilitation, and Bank JTrust Indonesia to separate NPLs and establish a fundamental profit-making structure based on its primary banking business. In addition, the management team was renewed with a newly hired director, who has proven track record in the local banking business.

In Singapore, we acquired 6.43% of the outstanding common shares of Group Lease PCL (listed on the Stock Exchange of Thailand; hereinafter, "GL") in December 2015 by exercising the right attached to its convertible bond underwritten by JTRUST ASIA PTE. LTD. (hereinafter, "JTA") in May 2015. We will work together with GL to expand leasing and consumer financing businesses in Southeast Asia including Indonesia, with an eye to the provision of finance by Bank JTrust Indonesia, joint operation of hire-purchase financing business in Indonesia which is expected to achieve sustainable growth, and business tie-up that allows the J Trust Group to develop operations in Southeast Asia.

(ii) Business development in South Korea

J Trust Group became a comprehensive financial services group which conducts savings banking, purchase and collection of receivable, leasing and installment financing business through the acquisition of shares of JT Savings Bank Co., Ltd. (hereinafter, "JT Savings Bank") in January 2015 and JT Capital Co., Ltd. (hereinafter, "JT Capital") in March 2015. We have thus developed a foundation to offer financial service in South Korea. As part of this move, we changed Chinae Savings Bank's trade name to JT Chinae Savings Bank Co., Ltd. (hereinafter, "JT Chinae Savings Bank") in July 2015. Meanwhile, we sold Neoline Credit Co., Ltd. and HICAPITAL Co., Ltd. in October 2015 after confirming that business efficiency was achieved through the intensive management of their normal claims by our savings banks and NPLs by TA Asset Management LLC (hereinafter, "TA Asset Management"). They are no longer our consolidated subsidiaries.

(iii) Domestic business development

To conduct a new business using Bitcoin, in May 2015, ahead of the governmental movement on the development of Bitcoin-related legal systems, the Group underwrote 26.46% of common shares which BTCBox Co., Ltd., an operator of Bitcoin exchange, issued through the third party allotment of shares (BTCBox Co., Ltd. is now excluded from the scope of equity method, with part of the acquired shares transferred in the third quarter of the current consolidated fiscal year), and established JTRUST BITCOIN PTE. LTD. (incorporated in Singapore; currently JTRUST FINTECH PTE. LTD.), a consolidated subsidiary of JTA, in July 2015. Currently, JTRUST FINTECH PTE. LTD. operates a web portal on FinTech-related information. Going forward, while recognizing the current government's approach toward legislation on the Bitcoin business, JTRUST FINTECH PTE. LTD. plans to develop its business by offering various Bitcoin-related services such as foreign exchange margin trading between Bitcoin and other currencies. Through JTRUST FINTECH PTE. LTD., we will establish a system with the aim of creating new business using Bitcoin and improve our corporate value.

In addition, we implemented business restructuring. In September 2015, we transferred a part of the unsecured loan business (consumer finance business) of Nihon Hoshou Co., Ltd. (hereinafter, "Nihon Hoshou") to CREDIA Co., Ltd. through a corporate split. Consequently, we withdrew from the unsecured loan business (consumer finance business), and established the business structure focusing on the guarantee for property related loans.

(iv) Capital Policy

We conducted the share buyback to return profits to shareholders through the improvement in capital efficiency and ensure the flexible implementation of capital policy in response to the change in business environment. In December 2015, for the purpose of returning profits to shareholders through reduction in the total number of outstanding shares, we cancelled all the treasury shares acquired during the period. We aim to maintain the well-balanced capital distribution to maximize shareholder value.

Operating revenue during the first nine months of the current consolidated fiscal year was 57,947 million yen (up 20.4% year on year). Interest on loans declined because commission for installment payment decreased after the transfer of "KC Card" brand in January 2015, and TA Asset Management, Neoline Credit Co., Ltd. and HICAPITAL Co., Ltd. (collectively called "Affiliated Financial Companies") transferred their loan businesses to JT Chinae Savings Bank in South Korea. Meanwhile, banking business revenue increased because new loans receivable of JT Chinae Savings Bank grew due to the assumption of the loan business of the Affiliated Financial Companies and its aggressive marketing activities, and JT Savings Bank and Bank JTrust Indonesia, which were acquired in the previous consolidated fiscal year, contributed to revenue growth. Other operating revenue also grew because JTA recorded valuation and realized profits on GL's convertible bond.

As for operating income/loss, we reported an operating loss of 2,108 million yen (operating loss of 3,321 million yen during the same period of previous consolidated fiscal year). The provision of allowance for doubtful accounts decreased from the same period of the previous year, when temporary losses were recorded at JT Chinae Savings Bank such as loss on sales of receivables as part of the disposal of NPLs and an increase in the provision of allowance for doubtful accounts. In addition, selling, general and administrative expenses declined because the "KC Card" brand was transferred and the provision for loss on interest repayment was reduced along with a decrease in interest repayment claim related liabilities after the partial transfer of Nihon Hoshou's unsecured loan business through the corporate split. At the same time, selling, general and administrative expenses were pushed up as the scale of the Group's business expanded, personnel expenses rose along with an increase in the number of employees, and amortization of goodwill grew after the acquisition of Bank JTrust Indonesia.

We recorded ordinary loss of 1,525 million yen (ordinary loss of 316 million yen during the same period of previous fiscal year) primarily caused by exchange gain, and loss attributable to owners of parent of 1,045 million yen (loss attributable to owners of parent of 1,142 million yen during the same period of previous fiscal year) mainly due to loss attributable to non-controlling interests.

Segment performance was as follows. From the first quarter of the current consolidated fiscal year, reportable segment has been changed. The comparison with the same period of previous consolidated fiscal year below is based on the reclassified figures of the same period of previous fiscal year.

[1] Domestic financial business

(Credit guarantee services)

Credit guarantee services are handled by Nihon Hoshou. Under our medium-term business plan, the priority is to focus on real estate related credit guarantee business. We currently provide guarantee for the “Flat 35” syndicated rental housing loans in partnership with a major housing developer, Flat 35 loan agencies and others. Our new guarantee structure centering on Flat 35 boosts credit guarantee balance steadily. Although the transfer of “KC Card” brand reduced the number of partnered financial institutions by six, we have partnership with five regional financial institutions as of the end of December 2015. We aim to increase credit guarantee balance per financial institution going forward.

As a result, the balance of credit guarantees was 45,310 million yen (down 0.9% year on year) at the end of the third quarter of the current consolidated fiscal year. The breakdown was 15,247 million yen in credit guarantees on unsecured loans (down 34.5%) and 30,062 million yen in credit guarantees on secured loans (up 33.9%) with an increase in guarantees for rental housing loans.

(Collection of accounts receivable)

Collection of accounts receivable in Japan is mainly handled by Nihon Hoshou and Partir Servicer Co., Ltd. (hereinafter, “Partir Servicer”). Under our medium-term business plan, we aim to expand the receivable collection business. Since the number of domestic servicers is decreasing, we will pursue profits as a remaining player through M&A on the back of our superior collection capability. We will also reinforce the collection of business loan receivable and start business rehabilitation services.

As a result, the balance of purchased receivables was 3,326 million yen (up 5.0% year on year) at the end of the third quarter of the current consolidated fiscal year.

(Credit and consumer credit services)

Credit and consumer credit services are mainly handled by J TRUST Card Co., Ltd. We secure earnings primarily from consumer credit services for installment sales, and also from a variety of services and products including fees from purchase transaction, cash advances and loans. However, the loan balance decreased significantly due to the transfer of “KC Card” brand.

As a result, the balance of advances paid-installment, including long-term operating loans receivable, was 2,422 million yen (down 93.3% year on year) at the end of the third quarter of the current consolidated fiscal year. The breakdown was 2,409 million yen in advances paid-installment (down 93.2%) and 13 million yen in long-term operating loans receivable (down 98.1%).

(Other financial services)

Other financial services in Japan are mainly handled by Nihon Hoshou. Based on our medium-term business plan, Nihon Hoshou executed a structural reform including large-scale early retirement programs. This led the company to a withdrawal from the unsecured consumer finance business in Japan and a shift of its focus to real estate related credit guarantee business. In addition, Nihon Hoshou implemented reorganization through a corporate split to separate liabilities involving risk of interest repayment claims and mitigate contingent liabilities risk.

As a result, the loan balance including long-term operating loans (for business) was 4,117 million yen (down 9.2%) at the end of the third quarter of the current consolidated fiscal year. The breakdown was 1,401 million yen in commercial notes (down 41.1%), 2,616 million yen in accounts receivable – operating loans (up 27.3%) due to an increase in property secured loans and 98 million yen in long-term operating loans (up 1.3%). Meanwhile, the loan balance including long-term operating loans (for consumers) was 3,131 million yen (down 51.7%). The breakdown was 2,847 million yen in accounts receivable – operating loans (down

47.6%) and 283 million yen in long-term operating loans (down 73.0%).

In summary, operating revenue in the domestic financial business was 8,474 million yen (down 45.7%). On the other hand, segment income was 2,874 million yen (up 101.3%), benefiting from Nihon Hoshou's cost reduction measures including early retirement programs.

[2] Financial business in South Korea

(Savings banking and capital business)

JT Chinae Savings Bank and JT Savings Bank conduct savings banking business. JT Capital provides installment financing and leasing services. We have already established a business base as a comprehensive financial services group through M&As executed until the previous fiscal year. Going forward, we will expand profit through the organic collaboration of each business and proactively increase receivable balance. Under our medium-term business plan, we will improve our profitability by building up high-quality consumer loans and stabilize the loan portfolio by focusing on loans for large corporations, secured loans and government-backed loans. Loans in banking business increased significantly due to JT Chinae Savings Bank's assumption of loan business from Affiliated Financial Companies in August 2014, acquisition of JT Savings Bank in January 2015 and steady rises in the number and balance of new loan contracts. Accounts receivable – operating loans decreased as a result of the transfer of loan business to JT Chinae Savings Bank from Affiliated Financial Companies, but increased due to the acquisition of JT Capital in March 2015.

As a result, the loan balance in banking business was 150,135 million yen (up 90.4%) at the end of the third quarter of the current consolidated fiscal year. Meanwhile, that of accounts receivable – operating loans including long-term operating loans receivable was 47,296 million yen (up 402.9% year on year). The breakdown was 45,331 million yen (up 464.3%) in accounts receivable – operating loans and 1,965 million yen (up 43.2%) in long-term operating loans.

(Receivable collection business)

TA Asset Management is engaged in purchase and collection of NPLs. Under our medium-term business plan, we have accumulated the balance of receivable on the back of our superior collection capability and high-level legal compliance.

As a result, the balance of purchased receivable was 3,726 million yen at the end of the third quarter of the current consolidated fiscal year.

In summary, operating revenue in financial business in South Korea was 19,977 million yen (up 45.5%). On the other hand, segment income was 55 million yen (segment loss of 4,230 million yen during the same period of previous fiscal year).

[3] Financial business in Southeast Asia

(Banking Business)

Bank JTrust Indonesia conducts banking business in Indonesia. Under our medium-term business plan, we focus on the rehabilitation of the bank which used to be supervised by Indonesia Deposit Insurance Corporation over a long time. Bank JTrust Indonesia have transferred its NPLs to JTII to reduce Bank JTrust Indonesia's NPL ratio and improve its financial health. Going forward, we will particularly make a shift to the management structure with seasoned knowledge of the local banking business, aiming to expand revenue through such measures as quantitative increase and qualitative improvements in operating assets with the expansion of loan balance for small and medium-sized enterprises and consumers, a decrease in inefficient loans executed under the control of Indonesia Deposit Insurance Corporation, a decrease in funding cost and an increase in commission income by using our overseas network.

As a result, the balance of loans by banking business at the end of the third quarter of the current consolidated fiscal year was 71,820 million yen.

(Collection of Accounts Receivable)

JTII conducts collection of accounts receivable business in Indonesia. Bank JTrust Indonesia transferred its NPL to JTII in October 2015. We aim to increase revenue by NPL collection with various measures including prompt disposal of collateralized assets and business rehabilitation.

As a result, operating revenue of financial business in Southeast Asia was 9,038 million yen and segment loss was 5,773 million yen mainly due to the amortization of goodwill corresponding to the acquisition of Bank JTrust Indonesia and an increase in provision of allowance for doubtful accounts.

[4] General entertainment business

BREAK Co., Ltd. (hereinafter, “BREAK”) produces and sells toys for amusement machines. ADORES, Inc. (hereinafter, “ADORES”) operates amusement facilities. Highlights Entertainment Co., Ltd. (hereinafter, “Highlights Entertainment”) develops, produces and sells computer system for peripheral equipment of Japanese amusement machines. Under our medium-term business plan, ADORES proactively conducts collaborative events featuring characters of popular anime at existing stores. Going forward, we will expand the type of operation through development of own content in addition to content business using existing facilities. Through the acquisition of Highlights Entertainment, we aim to establish group-wide general entertainment business by utilizing ADORES’ own content in development of Japanese amusement machines and other measures.

As a result, operating revenue in general entertainment business was 12,491 million yen (up 3.7% year on year). Segment loss was 118 million yen (segment income of 421 million yen during the same period of previous fiscal year).

[5] Real estate business

Keynote Co., Ltd. (hereinafter, “Keynote”) mainly handles sales and brokerage of ready-built residential housing and ADORES conducts real estate asset business. Under our medium-term business plan, we will take advantage of our group foundation in Southeast Asia, supported by our ability to plan and design housing and commercial facilities of Japanese quality handled by Keynote. In addition, with our business foundation in Southeast Asia, we aim to increase profit opportunities with a view to operating overseas real estate business. Though business results were lower than the same period of the previous fiscal year, we have expanded marketing areas and increased property sales in existing areas supported by a gradual recovery of the housing starts including condominiums.

As a result, operating revenue in real estate business was 4,292 million yen (down 9.8% year on year) and segment income was 366 million yen (down 11.6%).

[6] Investment business

JTA conducts investment business and provides management support for investees mainly in Singapore. JTA underwrote convertible bond of Group Lease PCL, listed on the Stock Exchange of Thailand in May 2015 and acquired 6.43% of GL’s shares by exercising conversion rights attaching to the convertible bond. JTA formed a strategic partnership with GL and plans to develop business to maximize synergy generated from the establishment of network while expanding its business in fast-growing Southeast Asia.

As a result, operating revenue in investment business was 2,723 million yen (operating revenue of 8 million yen for the same period of previous fiscal year) and segment income was 2,524 million yen (segment loss of 80 million yen for the same period of previous fiscal year).

[7] Other business

J Trust System Co., Ltd. handles system development, operation and management of computers. Keynote constructs commercial facilities. Japan Care Welfare Group Co., Ltd., which conducts elderly care business, was excluded from the scope of consolidation due to its sale in August 2015.

As a result, operating revenue in other business was 1,516 million yen (down 42.7% year on year) and segment loss was 140 million yen (segment income of 141 million yen during the same period of previous fiscal year).

2. Explanation on financial position

In the third quarter of the current consolidated fiscal year, total assets decreased by 31,711 million yen to 509,007 million yen from the end of previous fiscal year. Securities held by JT Chinae Savings Bank and Bank JTrust Indonesia increased by 16,749 million yen. Operational investment securities increased by 7,799 million yen because present value of securities held by JTA rose and JTA exercised the right to convert GL's convertible bond into shares. On the other hand, cash and deposits decreased by 26,498 million yen, and goodwill declined by 8,264 million yen.

Liabilities decreased by 11,245 million yen to 334,607 million yen. This is mainly because long-term loans payable including current portion increased by 18,756 million yen due to JT Capital's borrowing of operating funds while deposits by banking business decreased by 19,756 million yen and provision for loss on interest repayment decreased by 6,298 million yen due to the partial transfer of Nihon Hoshou's unsecured loan business through the corporate split and the sale of CREDIA Co., Ltd.

Net assets decreased by 20,466 million yen to 174,399 million yen from the end of previous fiscal year. This is mainly because retained earnings decreased by 8,264 million yen due to cancellation of treasury shares of 6,055 million yen, dividends of surplus of 1,164 million yen and quarterly net loss attributable to owners of parent of 1,045 million yen and foreign currency translation adjustment declined by 11,862 million yen.

As a result, net assets per share decreased by 88.58 yen to 1,502.51 yen from the end of previous fiscal year. Capital adequacy ratio decreased by 1.7 percentage points from 34.8% at the end of previous fiscal year to 33.1%.

3. Explanation on future forecast including consolidated financial forecast

Our forecast for full-year consolidated results is based on IFRS. To achieve the set goals, the Group will execute the following measures:

[1] Financial business in South Korea

We will secure gain by selling NPLs.

[2] Financial business in Southeast Asia

Disposal of NPLs is almost completed, following the transfer of Bank JTrust Indonesia's NPLs to a group subsidiary. Earnings are expected to improve from this time onward, benefiting from effects of various restructuring measures such as increasing loans to mid-size companies to improve portfolio and build up assets, reducing interest payment burden, cutting costs and renewing the management structure. In addition, we expect a reversal of allowance for doubtful accounts, because the NPL transfer is likely to lower the delinquency ratio.

Meanwhile, domestic financial business generated good results on an IFRS basis during the first nine months of the current consolidated fiscal year. We believe this favorable trend will contribute to our performance for the fourth quarter of the same fiscal year.

For this reason, our forecast for consolidated business results in the fiscal year ending March 2016 remains intact as announced on May 25, 2015.

(Note) The above outlook is based on the information available as of the date of release, but contains risk or uncertainty. It does not give any assurance that the set goals will be achieved. Actual results may differ greatly from our current projection due to any change in various factors.

II. Matters regarding summary information (notes)

1. Changes in accounting policies, changes in accounting estimates and retrospective re-statements

(Changes in accounting policies)

(Adoption of accounting standards and others regarding business combination)

We have adopted "Accounting Standards regarding Business Combination" (No. 21 of Corporate Accounting

Standards, September 13, 2013, hereinafter, “Accounting Standards for Business Combination”), Accounting Standards regarding Consolidated Financial Statements” (No. 22 of Corporate Accounting Standards, September 13, 2013, hereinafter, “Consolidated Accounting Standards”) and “Accounting Standards regarding Business Divestiture” (No. 7 of Corporate Accounting Standards, September 13, 2013, hereinafter, “Accounting Standards for Business Divestiture etc.”) since the first quarter of the current consolidated fiscal year. A difference caused by the change in our equity interests in subsidiaries under continued control is now recorded as capital surplus. Also, acquisition costs are recorded as costs in the consolidated fiscal year on an accrual basis. For business combinations executed after the beginning of the first quarter of the current consolidated fiscal year, when provisional accounting treatments are confirmed, the acquisition cost allocation will be revised in the quarterly consolidated financial statements to which the dates of business combination belong. Furthermore, we made changes to the presentation of quarterly net income and changes to the presentation from minority interests to non-controlling interests. To reflect the said changes, items on the nine-month/full-year consolidated financial statements of the previous fiscal year were reclassified.
For the application of Accounting Standards for Business Combination, we follow the transitional treatment specified in Paragraph 2-4, No. 58 of Accounting Standards for Business Combination, Paragraph 5-4, No. 44 of Corporate Accounting Standards and Paragraph 4-4, No. 57 of Accounting Standards regarding Business Divestiture from the beginning of the first quarter of the current consolidated fiscal year forward.

As a result, operating loss, ordinary loss and loss before income taxes and minority interests for the first nine months of the current consolidated fiscal year decreased by 54 million yen. Capital surplus at the end of the third quarter of the current consolidated fiscal year decreased by 385 million yen.

III. Consolidated quarterly financial statements

1. Consolidated quarterly balance sheets

(unit: million yen)

	Previous consolidated fiscal year (March 31, 2015)	3rd quarter of current consolidated fiscal year (December 31, 2015)
Assets		
Current assets		
Cash and deposits	141,742	115,243
Commercial notes	2,355	1,401
Accounts receivable - operating loans	65,315	50,795
Loans by banking business	224,401	221,955
Advances paid-installment	1,395	2,409
Purchased receivables	8,647	7,053
Subrogation receivable	1,124	1,417
Securities	17,874	34,624
Operational investment securities	6,595	14,394
Merchandise and finished goods	2,688	2,245
Work in process	515	1,910
Other	16,131	16,926
Allowance for doubtful accounts	(20,525)	(21,106)
Total current assets	468,260	449,270
Non-current assets		
Property, plant and equipment	9,352	7,787
Intangible assets		
Goodwill	41,438	33,173
Other	5,664	4,673
Total intangible assets	47,102	37,846
Investments and other assets		
Long-term operating loans receivable	2,405	2,360
Other	23,690	14,704
Allowance for doubtful accounts	(10,092)	(2,963)
Total investments and other assets	16,002	14,102
Total non-current assets	72,458	59,736
Total assets	540,718	509,007

(unit: million yen)

	Previous consolidated fiscal year (March 31, 2015)	3rd quarter of current consolidated fiscal year (December 31, 2015)
Liabilities		
Current liabilities		
Notes discounted	2,226	1,290
Current portion of bonds	130	60
Short-term loans payable	7,862	12,482
Current portion of long-term loans payable	5,987	12,833
Income taxes payable	1,157	336
Deposits by banking business	287,452	267,696
Provision for loss on litigation	200	-
Provision for loss on interest repayment	1,089	-
Provision for loss on business liquidation	905	-
Other	15,587	11,162
Total current liabilities	322,598	305,861
Non-current liabilities		
Bonds payable	2,241	1,981
Long-term loans payable	11,009	22,920
Provision for loss on interest repayment	5,219	-
Provision for loss on guarantees	422	420
Net defined benefit liability	414	475
Provision for loss on litigation	399	337
Other	3,546	2,609
Total non-current liabilities	23,254	28,746
Total liabilities	345,853	334,607
Net assets		
Shareholders' equity		
Capital stock	53,604	53,616
Capital surplus	52,945	52,571
Retained earnings	73,709	65,445
Treasury shares	(197)	(406)
Total shareholders' equity	180,062	171,226
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(42)	1,032
Foreign currency translation adjustment	8,005	(3,856)
Remeasurements of defined benefit plans	9	(73)
Total accumulated other comprehensive income	7,972	(2,897)
Subscription rights to shares	167	185
Non-controlling interests	6,663	5,885
Total net assets	194,865	174,399
Total liabilities and net assets	540,718	509,007

2. Consolidated quarterly statements of income and consolidated statements of comprehensive income

(Consolidated quarterly statements of income)

(Consolidated statement of income for the nine months)

(unit: million yen)

	First nine months of previous consolidated fiscal year (From April 1, 2014 till December 31, 2014)	First nine months of current consolidated fiscal year (From April 1, 2015 till December 31, 2015)
Operating revenue	48,120	57,947
Operating expenses	21,522	28,998
Operating gross profit	26,597	28,948
Selling, general and administrative expenses	29,918	31,057
Operating loss	(3,321)	(2,108)
Non-operating income		
Interest income	11	1
Dividend income	32	66
House rent income	121	52
Gain on investment of securities	-	206
Foreign exchange gains	3,014	534
Miscellaneous income	104	179
Total non-operating income	3,285	1,040
Non-operating expenses		
Interest expenses	118	118
Depreciation	15	8
Share of loss of entities accounted for using equity method	117	101
Miscellaneous loss	29	229
Total non-operating expenses	281	457
Ordinary loss	(316)	(1,525)
Extraordinary income		
Gain on sales of non-current assets	5	213
Gain on sales of shares of subsidiaries and associates	-	601
Gain on bargain purchase	1,042	-
Gain on reversal of foreign currency translation adjustment	-	830
Other	13	26
Total extraordinary income	1,061	1,671
Extraordinary losses		
Loss on sales of non-current assets	25	35
Loss on abandonment of non-current assets	94	14
Impairment loss	704	1,102
Loss on sales of shares of subsidiaries and associates	-	285
Other	19	37
Total extraordinary losses	844	1,475
Loss before income taxes and minority interests	(100)	(1,329)
Income taxes - current	821	1,014
Income taxes - deferred	(61)	(700)
Total income taxes	760	314
Loss	(860)	(1,644)
Profit (loss) attributable to non-controlling interests	282	(599)
Loss attributable to owners of parent	(1,142)	(1,045)

(Consolidated quarterly statements of comprehensive income)

(Consolidated statement of comprehensive income for the nine months)

(unit: million yen)

	First nine months of previous consolidated fiscal year (From April 1, 2014 till December 31, 2014)	First nine months of current consolidated fiscal year (From April 1, 2015 till December 31, 2015)
Loss	(860)	(1,644)
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,601)	891
Foreign currency translation adjustment	4,786	(11,865)
Remeasurements of defined benefit plans, net of tax	36	(84)
Totsher comprehensive income	1,221	(11,058)
Comprehensive income	360	(12,703)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(197)	(11,915)
Comprehensive income attributable to non-controlling interests	558	(787)

3. Notes regarding consolidated quarterly financial statements

(Notes regarding going concern assumption)

Not applicable.

(Notes in case of significant change in amount of shareholders' equity)

The Company acquired 6,250,000 treasury shares based on its resolution at its Board of Directors' meeting held on May 14, 2015. This increased treasury shares by 6,264 million yen during the first nine months of the current consolidated fiscal year. Then, the Company cancelled the 6,250,000 treasury shares based on its resolution at its Board of Directors' meeting held on December 17, 2015. This decreased retained earnings and treasury shares by 8,264 million yen and 6,055 million yen, respectively, during the first nine months of the current consolidated fiscal year. As a result, retained earnings and treasury shares amounted to 65,445 million yen and 406 million yen, respectively, in the third quarter of the current consolidated fiscal year.

(Segment information, etc.)

(i) Segment information

[1] First nine months of the previous consolidated fiscal year (from April 1, 2014 till December 31, 2014)

A. Information regarding operating revenue, income or loss per segment

(unit: million yen)

	Reportable segment				
	Domestic financial business	Financial business in South Korea	Financial business in Southeast Asia	General entertainment business	Real estate business
Operating revenue					
External customers	15,584	13,734	-	12,031	4,759
Intersegment sales and transfers	32	-	-	11	0
Total	15,616	13,734	-	12,042	4,760
Segment income (loss)	1,427	(4,230)	-	421	414

	Reportable segment		Others*	Total
	Investment business	Subtotal		
Operating revenue				
External customers	8	46,118	2,002	48,120
Intersegment sales and transfers	-	45	645	690
Total	8	46,163	2,648	48,811
Segment income (loss)	(80)	(2,047)	141	(1,905)

*Note: "Other" refers to business segments not included in any reportable segment and includes the following – computer operations and management; commissioned software development and operational guidance services; printing business; and design/construction business.

B. Information regarding assets by reportable segment

In the “Financial business in Southeast Asia” segment, assets increased by 159,507 million yen in the third quarter of the current consolidated fiscal year, from the end of previous fiscal year, for PT Bank Mutiara Tbk. (current PT Bank JTrust Indonesia Tbk.), a commercial bank in Indonesia, became our consolidated subsidiary as a result of share acquisition.

In the “Investment business” segment, assets increased by 11,304 million yen in the third quarter of the current consolidated fiscal year, from the end of the previous consolidated fiscal year, mainly due to the capital increase executed by JTRUST ASIA PTE.LTD.

In the “General entertainment business” segment, assets increased by 3,187 million yen in the third quarter of the current consolidated fiscal year, from the end of the previous consolidated fiscal year, primarily because we acquired a new subsidiary.

C. Difference between total income (loss) in reportable segments and book value on the consolidated quarterly statement of income, and main items of such difference (matters pertaining to reconciliation)

(unit: million yen)

Income	Amount
Total income (loss) in reportable segments	(2,047)
Income (loss) in “Other”	141
Intersegment transaction elimination	50
Company-wide expenses*	(1,466)
Operating income (loss) on the consolidated quarterly statement of income	(3,321)

*Note: “Company-wide expenses” refer to general and administrative expenses that are not attributable to the reportable segments.

D. Information regarding impairment loss on non-current assets or goodwill by reportable segment

(Significant impairment loss on non-current assets)

The statement is omitted since the amount is insignificant.

(Significant change in the amount of goodwill)

Goodwill increased by 35,676 million yen because, in the “Financial business in Southeast Asia” segment, PT Bank Mutiara Tbk. (current PT Bank JTrust Indonesia Tbk.), a commercial bank in Indonesia, became our consolidated subsidiary as a result of share acquisition in the third quarter of the current consolidated fiscal year.

(Significant gain on bargain purchase)

The acquisition of a new subsidiary in the “General entertainment business” segment resulted in bargain purchase of 884 million yen, which was accordingly recorded under extraordinary loss (gain on bargain purchase) during the first nine months of the current consolidated fiscal year.

E. Matters regarding changes in reportable segment

Not applicable.

[2] First nine months of the current consolidated fiscal year (from April 1, 2015 till December 31, 2015)

A. Information regarding operating revenue, income or loss per segment

(unit: million yen)

	Reportable segment				
	Domestic financial business	Financial business in South Korea	Financial business in Southeast Asia	General entertainment business	Real estate business
Operating revenue					
External customers	8,294	19,977	9,038	12,490	4,290
Intersegment sales and transfers	179	-	-	0	2
Total	8,474	19,977	9,038	12,491	4,292
Segment income (loss)	2,874	55	(5,773)	(118)	366

	Reportable segment		Others*	Total
	Investment business	Subtotal		
Operating revenue				
External customers	2,632	56,724	1,223	57,947
Intersegment sales and transfers	90	273	293	567
Total	2,723	56,998	1,516	58,514
Segment income (loss)	2,524	(72)	(140)	(213)

*Note: "Other" refers to business segments not included in any reportable segment and includes the following – commercial facility construction business; and IT system business.

B. Information regarding assets by reportable segment

In the "Domestic financial business" segment, assets decreased by 34,329 million yen in the third quarter of the current fiscal year, from the end of previous fiscal year, mainly because we received dividends of surplus from J TRUST Card Co., Ltd., our consolidated subsidiary.

C. Difference between total income (loss) in reportable segments and book value on the consolidated quarterly statement of income, and main items of such difference (matters pertaining to reconciliation)

(unit: million yen)

Income	Amount
Total income (loss) in reportable segments	(72)
Income (loss) in "Other"	(140)
Intersegment transaction elimination	32
Company-wide expenses*	(1,928)
Operating income (loss) on the consolidated quarterly statement of income	(2,108)

*Note: "Company-wide expenses" refer to general and administrative expenses that are not attributable to the reportable segments.

D. Information regarding impairment loss on non-current assets or goodwill by reportable segment

(Significant impairment loss on non-current assets)

The statement is omitted since the amount is insignificant.

(Significant change in the amount of goodwill)

The statement is omitted since the amount is insignificant.

(Significant gain on bargain purchase)

Not applicable.

E. Matters pertaining to change, etc. in reportable segments

In the first quarter of the current consolidated fiscal year, after reviewing the management category for our group operations, we renamed the existing four segments and reclassified them into five. Former “Financial Business” and “Amusement Business” were changed to “Domestic Financial Business” and “General Entertainment Business”, respectively. “International Business” was subdivided into “Financial Business in South Korea” and “Financial Business in Southeast Asia”. “Real Estate Business” remained unchanged.

Meanwhile, “Overseas Investment Business”, which previously belonged to “International Business”, was shifted to “Other”. “Development, manufacturing and sales of computer systems for peripheral equipment of Japanese amusement machines”, which used to be part of “Other”, was included in “General Entertainment Business.”

In the second quarter of the current consolidated fiscal year, in line with a growing quantitative importance of the investment business, we added another segment called “Investment Business”. Our reportable segments accordingly consist of six groups of business, namely “Domestic Financial Business”, “Financial Business in South Korea”, “Financial Business in South Asia”, “General Entertainment Business”, “Real Estate Business” and “Investment Business”.

Meanwhile, segment information for the first nine months of the previous consolidated fiscal year is disclosed based on the current six reportable segments.

IV. Supplementary information

Operating result

(i) Breakdown of balance of loans receivable

Category			End of 3rd quarter of previous consolidated fiscal year (December 31, 2014)		End of 3rd quarter of current consolidated fiscal year (December 31, 2015)	
			Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
Domestic	Consumer services	Unsecured loans	5,934 931	3.4	2,803 259	1.0
		Adjustment for business combination	(30)	(0.0)	(0)	(0.0)
		Secured loans	582 118	0.3	328 24	0.1
		Subtotal	6,487 1,049	3.7	3,131 283	1.1
	Business loan services	Discount on commercial notes	2,387 5	1.4	1,401 -	0.5
		Unsecured loans	601 37	0.3	229 5	0.1
		Secured loans	1,545 53	0.9	2,485 92	0.9
		Subtotal	4,534 97	2.6	4,117 98	1.5
	Discounts on commercial notes – total		2,387 5	1.4	1,401 -	0.5
	Accounts receivable – operating loans – total		8,634 1,141	4.9	5,846 382	2.1
	Total		11,021 1,147	6.3	7,248 382	2.6
Overseas	Consumer loan services	Unsecured loans	9,342 1,347	5.3	19,081 1,951	6.9
		Secured loans	63 24	0.0	24,084 13	8.7
		Subtotal	9,405 1,372	5.3	43,165 1,965	15.6
	Business loan services	Unsecured loans	- -	-	450 -	0.2
		Secured loans	- -	-	3,679 -	1.3
		Subtotal	- -	- -	4,130 -	1.5
	Accounts receivable – operating loans - total		9,405 1,372	5.3	47,296 1,965	17.1
	Loans by banking business	South Korea	78,857 -	45.0	150,135 -	54.3
		Indonesia	76,083 -	43.4	71,820 -	26.0
		Subtotal	154,941 -	88.4	221,955 -	80.3
	Total		164,346 1,372	93.7	269,252 1,965	97.4
Grand total			175,368 2,519	100.0	276,501 2,347	100.0

Note 1: Figures shaded in gray refer to long-term operating loans receivable. They are included in above figures.

Note 2: Overseas business loan services are conducted by JT Capital Co., Ltd. Since JT Capital became our consolidated subsidiary during the fourth quarter of the previous consolidated fiscal year, the balance for end of the third quarter of the previous consolidated fiscal year is not stated.

(ii) Balance of advances paid-installment

Category	End of 3rd quarter of previous consolidated fiscal year (December 31, 2014)	End of 3rd quarter of current consolidated fiscal year (December 31, 2015)
	Amount (million yen)	Amount (million yen)
Advances paid-installment	35,896 714	2,422 13

Note 1: Figures shaded in gray refer to long-term operating loans receivable. They are included in above figures.

Note 2: We transferred "KC Card" brand during the fourth quarter of the previous consolidated fiscal year. Therefore, the balance of advances paid-installment at the end of the third quarter of the current consolidated fiscal year decreased significantly.

(iii) Breakdown of balance of credit guarantee

Category	End of 3rd quarter of previous consolidated fiscal year (December 31, 2014)		End of 3rd quarter of current consolidated fiscal year (December 31, 2015)	
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)
Unsecured	23,272	50.9	15,247	33.7
Secured	22,452	49.1	30,062	66.3
Total	45,725	100.0	45,310	100.0

(iv) Breakdown of operating revenue

(unit: million yen)

Category			3rd quarter of previous consolidated fiscal year (from April 1, 2014 till December 31, 2014)	3rd quarter of current consolidated fiscal year (from April 1, 2015 till December 31, 2015)	Previous consolidated fiscal year (from April 1, 2014 till March 31, 2015)
I. Interest on loans/discount revenue					
	1. For consumers	[1] Unsecured loans	4,331	1,923	4,674
		[2] Secured loans	63	966	80
		For consumers – total	4,395	2,890	4,755
	2. For business	[1] Discount on commercial notes	143	100	188
		[2] Unsecured loans	50	58	62
		[3] Secured loans	84	138	117
		For business - total	278	297	367
	Subtotal		4,673	3,187	5,123
II. Banking business revenue		[1] South Korea	9,729	15,780	14,376
		[2] Indonesia	-	9,038	-
		Subtotal	9,729	24,818	14,376
III. Collection of purchased receivables			2,541	2,719	3,439
IV. Sales on real estate business			4,759	4,290	5,821
V. Sales on general entertainment business			12,031	12,490	15,960
VI. Commission for installment payment			4,662	159	4,701
VII. Other		[1] Commission fee	202	402	273
		[2] Guarantee commission	1,992	1,379	2,443
		[3] Gain on bad debts recovered	3,619	3,346	4,809
		[4] Interest on deposits	162	88	239
		[5] Other financial revenue	835	428	1,051
		[6] Other	2,910	4,636	5,041
		Subtotal	9,722	10,281	13,858
Operating revenue - total			48,120	57,947	63,281

Note 1: "VII. Other, Other financial revenue" refers mainly to the difference between the collection from loans under receivable purchasing services and the corresponding acquisition cost.

Note 2: Above figures do not include consumption tax and others.

Note 3: From the first nine months of the current consolidated fiscal year, "V. Sales on amusement business" is changed to "Sales on general entertainment business", with "development, manufacturing and sales of computer systems for peripheral equipment of Japanese amusement machines" included. The effect of the said changes has been reflected in above figures for the nine-month/full year consolidated financial statements of the previous fiscal year.